

REPORTS ANALYSIS REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: August 1, 2005

ANALYST: Michelle Liljeroot

- I. COMMITTEE: Texans For Henry Cuellar Congressional Campaign
C00371302
Mr. Rosendo Carranco, Treasurer
1519 Washington Street,
2nd Floor, Suite 200
Laredo, TX 78042
- II. RELEVANT STATUTE: 11 CFR §104.3 (b)
2 U.S.C. §434(b)
- III. BACKGROUND:

Failure to Provide Supporting Schedules (Failure to Disclose All Financial Activity)

Texans for Henry Cuellar Congressional Campaign amended its 12 Day Pre-General Report disclosing an additional disbursement totaling \$100,000.00, an increase of 127% over the financial activity reported in their original 12 Day Pre-General Report (Attachment 2).

On October 21, 2004, the Committee filed the 12 Day Pre-General Report covering the period October 1, 2004 through October 13, 2004. The report disclosed \$63,570.11 on Line 17 (Operating Expenditures), \$0.00 on Line 19(a) (Loan Repayments Made or Guaranteed by the Candidate), \$15,000.00 on Line 19(b) (Loan Repayment of all Other Loans) and a total of \$78,570.11 in disbursements on Line 22 (Total Disbursements) of the Detailed Summary Page (Image 24962677351).

On January 12, 2005, the Committee filed an amendment to the 12 Day Pre-General Report covering the period October 1, 2004 through October 13, 2004. The Amended 12 Day Pre-General Report disclosed \$163,570.11 on Line 17 (Operating Expenditures), \$15,000.00 on Line 19(a) (Loan Repayments Made or Guaranteed by the Candidate), \$0.00 on Line 19(b) (Loan Repayment of all Other Loans) and a total of \$178,570.11 in disbursements on Line 22 (Total Disbursements) of the Detailed Summary Page (Image 25980153603).

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On February 25, 2005, the Committee filed another amendment to the 12 Day Pre-General Report covering the period October 1, 2004 through October 13, 2004. This Amended 12 Day Pre-General Report disclosed \$164,824.52 on Line 17 (Operating Expenditures), \$13,745.59 on Line 19(a) (Loan Repayments Made or Guaranteed by the Candidate), \$0.00 on Line 19(b) (Loan Repayment of all Other Loans) and a total of \$178,570.11 in disbursements on Line 22 (Total Disbursements) of the Detailed Summary Page (Image 25990139862).

On March 29, 2005, the Reports Analysis Division (RAD) sent a Request for Additional Information (RFAI) to the Committee referencing the Amended 12 Day Pre-General Report received on February 25, 2005 and the substantial increase in disbursements. The RFAI requested that the Committee clarify why the additional activity was not disclosed on the original filing (Image 25038763717).

On May 13, 2005, the RAD Analyst called and explained to Eli Barajas, a campaign staff assistant, that the Committee was in the process of being referred to the Office of General Counsel (OGC) for an increase in activity on the 12 Day Pre-General Report. Mr. Barajas was the only Committee personnel available to discuss the issue and had very little knowledge about the reports filed. As such, the Analyst walked him through the FEC web site and guided him through how to view the letters sent and the reports filed so he could inform other staff members of the problem at hand. The Analyst also advised him that the Committee must file a response to the FEC by May 23, 2005 (Attachment 3).

On May 23, 2005, the Analyst again called Eli Barajas to ask him if the Committee was preparing a response concerning the issues discussed on May 13, 2005. Mr. Barajas indicated that the Committee was preparing a response, but he did not anticipate the response would be filed until later that day or the following day (Attachment 4).

On May 25, 2005, Mr. Barajas left a voice message for the Analyst stating the Committee would not be able to file responses to the letters sent until the end of the week (Attachment 5).

On May 27, 2005, Mr. Barajas, left another voice message for the Analyst stating the Committee was working with Aristotle to get the issues resolved and planned to file the necessary amendments on June 1, 2005 (Attachment 6).

On June 22, 2005, Mr. Barajas again called the Analyst to inform her that the Committee was still working on filing an amendment to the 12 Day Pre-General Report, as well as other reports (Attachment 7).

On June 28, 2005, Mr. Barajas, called the Analyst to discuss general reporting requirements. The Analyst reminded him that the Commission needed to receive amendments addressing the Committee's outstanding issues as soon as possible. The Analyst also verified that Mr. Barajas was still working with Aristotle to correct all outstanding issues (Attachment 8).

On July 4, 2005, the RAD Assistant Branch Chief and the Analyst contacted Eli Barajas, informing him that they intended to forward the matter to OGC if further clarification was not made regarding the Amended 12 Day Pre-General Report. The Committee was given a deadline of July 7, 2005 to file any necessary clarifications as previously requested by the FEC (Attachment 9).

On July 5, 2005, the Assistant Branch Chief and the Analyst also left a message for the Treasurer, Rosendo Carranco, regarding the OGC matter on the Amended 12 Day Pre-General Report and other issues related to candidate loans. The Treasurer did not return the call (Attachment 10).

On July 6, 2005, the Committee filed a third amendment to the 12 Day Pre-General Report covering the period October 1, 2004 through October 13, 2004. This Amended 12 Day Pre-General Report disclosed \$163,570.11 on Line 17 (Operating Expenditures), \$15,000.00 on Line 19(a) (Loan Repayments Made or Guaranteed by the Candidate), \$0.00 on Line 19(b) (Loan Repayment of all Other Loans) and a total of \$178,570.11 in disbursements on Line 22 (Total Disbursements) of the Detailed Summary Page (Image 25970520924).

On July 7, 2005, Eli Barajas called to inform the Analyst that the Committee had submitted an Amended 12 Day Pre-General Report. The Analyst let him know that after reviewing the amendment, further clarification was needed since no explanation was given for the increase in activity on the Amended 12 Day Pre-General Report received on 1/12/05 and every Amended 12 Day Pre-General Report received thereafter. Mr. Barajas explained that the Committee had an increase in disbursements due to the fact that a \$100,000.00 disbursement to the Campaign Group Inc. on 10/7/04 for media services was not included on the Original 12 Day Pre-General Report. The Analyst informed Mr. Barajas he would still need to formally submit their explanation to the FEC (Attachment 11).

On July 7, 2005 at 11:42, the Committee submitted a fax to the Commission which is posted as a Miscellaneous Report to FEC on the website. The Committee highlighted within the fax that an increase in disbursements occurred when the Committee inadvertently omitted a \$100,000.00 disbursement to the Campaign Group, Inc. for media services. The Committee explained "The \$100,000 was "wired" from our account rather than disbursed via check. It is the only transaction conducted in this manner and was inadvertently omitted from the original filing. Following the general election we caught the omission through an audit of our bank account." (Image 25038851559)

On July 7, 2005 at 17:26, the Committee filed their last amendment to the 12 Day Pre-General Report covering the period October 1, 2004 through October 13, 2004. This Amended 12 Day Pre-General Report disclosed \$163,570.11 on Line 17 (Operating Expenditures), \$15,000.00 on Line 19(a) (Loan Repayments Made or Guaranteed by the Candidate), \$0.00 on Line 19(b) (Loan Repayment of all Other Loans) and a total of \$178,570.11 in disbursements on Line 22 (Total Disbursements) of the Detailed Summary Page (Image 25970533520).

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Also on July 7, 2005, Mr. Barajas called the Analyst to confirm the receipt of the Committee's fax regarding the Miscellaneous Electronic Submission. The Analyst confirmed receipt of the document but explained that the Committee still needed to provide further clarification on a few issues. The Analyst also let him know that no further clarification of the increase in activity on the Amended 12 Day Pre-General Report was needed at this time (Attachment 12).

On July 8, 2005, the Committee filed a Miscellaneous Report to the FEC. The report was an electronic text attachment which reiterated all of the points made on the fax received on July 7, 2005 (Image 25970534133).

On July 15, 2005, the FEC received a letter from the Committee that was dated July 7, 2005 and posted to the website as Miscellaneous Report to FEC. The document highlights, among other issues, why an increase in disbursements was reported on the Amended 12 Day Pre-General Report. This letter again provides the same information previously disclosed on the 7/7/05 fax and the electronic text attachment filed on 7/8/05 (Image 25038840662).

To date, no further communication has been received from the Committee regarding this matter.

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CUELLAR, ROBERTO ENRIQUE

ID #H2TX23082

TEXANS FOR HENRY CUELLAR CONGRESSIONAL CAMPAIGN

CARRANCO, ROSENDO MR

1520 Victoria Street

Laredo

HOUSE

ID #C00371302

TX 78042

FILING FREQUENCY: QUARTERLY

FORM TYPE	RPT TYPE	AI	PGI	REC DATE	PGS	BEG IMAGE	COVERAGE DATES	BEG CASH	RECEIPTS	DISBURSE	END CASH	DEBTS BY
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1			A	10/09/2003	4	23992015264						
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MS			T	1/03/2003	1	23990022602						
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MS			T	10/07/2003	5	23038212589						
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MS			T	2/26/2004	3	24038330310						
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MS			4	2/27/2004	2	24990698291						
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MS			4	3/02/2004	2	24990705435						
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MS			4	3/05/2004	2	24990729102						
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MS			4	3/06/2004	2	24990729674						
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MS			4	3/08/2004	2	24990735090						
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MS			4	10/18/2004	2	24962559147						
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MS			4	10/20/2004	2	24971859526						
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MS			4	10/22/2004	2	24962706159						
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MS			4	10/25/2004	2	24962712492						
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MS			4	10/27/2004	3	24962718059						
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MS			4	10/29/2004	2	24962724583						
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MS			T	7/07/2005	3	25038851558						
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MS			T	7/15/2005	2	25038840662						
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RQ	Q1	2		10/28/2003	3	23038233137	1/01/2003 3/31/2003					
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RQ	Q2	2		10/28/2003	3	23038233134	4/01/2003 6/30/2003					
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RQ	Q3	2		1/28/2004	3	24038281782	7/01/2003 9/30/2003					
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RQ	Q3	2		5/11/2004	3	24038404514	7/01/2003 9/30/2003					
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RQ	Q3	2		6/29/2004	3	24038433302	7/01/2003 9/30/2003					
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RQ	YE	2		3/16/2004	4	24038341149	10/01/2003 12/31/2003					
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RQ	YE	2		7/13/2004	3	24038444195	10/01/2003 12/31/2003					
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RQ	12P	2		3/16/2004	4	24038341153	1/01/2004 2/18/2004					
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RQ	12P	2		7/13/2004	3	24038444198	1/01/2004 2/18/2004					
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RQ	Q1	2		6/22/2004	4	24038432140	2/19/2004 3/31/2004					
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RQ	Q1	2		7/13/2004	3	24038444201	2/19/2004 3/31/2004					
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RQ	Q2	2		9/14/2004	4	24038514108	4/01/2004 6/30/2004					
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RQ	Q3	2		11/24/2004	4	24038630318	7/01/2004 9/30/2004					
RQ	Q3	2		1/25/2005	4	25038702332	7/01/2004 9/30/2004					
RQ	Q3	2		3/29/2005	3	25038763714	7/01/2004 9/30/2004					
RQ	12G	2		11/24/2004	4	24038630322	10/01/2004 10/13/2004					
RQ	12G	2		3/29/2005	3	25038763717	10/01/2004 10/13/2004					
RQ	30G	2		1/25/2005	6	25038702320	10/14/2004 11/22/2004					
RQ	YE	2		4/07/2005	3	25038771060	11/23/2004 12/31/2004					
RQ	YE	2		7/26/2005	3	25038860201	11/23/2004 12/31/2004					
	Q1	N	G	4/15/2003	28	23990753832	1/01/2003 3/31/2003	2929	19521	22131	318	16946
	Q1	A	P	11/26/2003	21	23992378609	1/01/2003 3/31/2003	2929	20071	22131	868	14362
	Q1	A	P	6/10/2004	19	24981224857	1/01/2003 3/31/2003	2929	18571	21330	170	16946
	Q1	A	P	7/22/2004	19	24961997482	1/01/2003 3/31/2003	2929	20071	21330	1670	18446
	Q2	N	P	7/11/2003	19	23991327956	4/01/2003 6/30/2003	318	28978	29219	78	45425
	Q2	A	P	11/26/2003	19	23992378742	4/01/2003 6/30/2003	868	28978	29219	628	20507
	Q2	A	P	6/10/2004	17	24981224876	4/01/2003 6/30/2003	170	28978	29071	78	45128
	Q2	A	P	7/22/2004	17	24961997501	4/01/2003 6/30/2003	1670	28978	29071	1578	45128
	Q3	N		10/09/2003	6	23992016280	7/01/2003 9/30/2003	78	100	100	78	31539
	Q3	A	P	2/27/2004	15	24990697377	7/01/2003 9/30/2003	628	0	0	618	45425
	Q3	A	P	4/14/2004	12	24990977350	7/01/2003 9/30/2003	86453	0	9	86444	45425
	Q3	A	P	6/10/2004	12	24981224913	7/01/2003 9/30/2003	78	0	9	68	45128
	Q3	A	P	7/22/2004	12	24961997518	7/01/2003 9/30/2003	1578	0	9	1568	45128
	YE	N	P	1/30/2004	108	24990355297	10/01/2003 12/31/2003	0	166239	116425	49813	32397
	YE	A	P	4/13/2004	115	24990975808	10/01/2003 12/31/2003	86444	166239	116425	136257	45904
	YE	A	P	6/10/2004	113	24981224925	10/01/2003 12/31/2003	68	166239	116425	49881	45606
	YE	A	P	7/22/2004	116	24961997530	10/01/2003 12/31/2003	1568	166239	116425	51381	45606
	12P	N	P	2/26/2004	78	24990696051	1/01/2004 2/18/2004	81710	345055	369196	57568	240216
	12P	A	P	2/27/2004	78	24990698357	1/01/2004 2/18/2004	81710	345055	369196	57568	240216
	12P	A	P	4/14/2004	86	24990977431	1/01/2004 2/18/2004	136257	345055	369211	112100	253723

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3	12P	A	P	4/27/2004	87	24991187388	1/01/2004	2/18/2004	136257	345055	369211	112100	253723
3	12P	A		5/10/2004	37	24038404076	1/01/2004	2/18/2004	-	-	-	-	-
3	12P	A	P	6/10/2004	85	24981225038	1/01/2004	2/18/2004	49881	345055	369211	25725	253426
3	12P	A	P	7/23/2004	87	24962000623	1/01/2004	2/18/2004	51381	345055	369211	27225	253426
3	Q1	N	P	4/13/2004	50	24990975383	2/19/2004	3/31/2004	112100	53660	71470	94290	253723
3	Q1	A	P	6/10/2004	49	24981225123	2/19/2004	3/31/2004	25725	53660	71470	7914	253426
3	Q1	A	G	7/23/2004	50	24961997646	2/19/2004	3/31/2004	27225	53660	71470	9414	253426
3	Q1	A	G	7/23/2004	50	24962001050	2/19/2004	3/31/2004	27225	53660	71470	9414	254459
3	Q2	N	G	7/15/2004	45	24961866521	4/01/2004	6/30/2004	7914	94720	70167	32467	252859
3	Q2	A	G	10/14/2004	45	24962457633	4/01/2004	6/30/2004	9414	100220	70167	39467	255525
3	Q2	A	G	1/12/2005	58	25980153374	4/01/2004	6/30/2004	9414	100220	70167	39467	255525
3	Q3	N	G	10/15/2004	78	24981347829	7/01/2004	9/30/2004	39467	297747	109618	227595	261931
3	Q3	A	G	1/12/2005	168	25980153432	7/01/2004	9/30/2004	39467	298247	109618	228095	261931
3	Q3	A		1/12/2005	11	25038691268	7/01/2004	9/30/2004	-	-	-	-	-
3	Q3	A	G	2/25/2005	167	25990139692	7/01/2004	9/30/2004	39313	455345	268795	225864	262335
3	Q3	A	G	6/09/2005	162	25991011693	7/01/2004	9/30/2004	39467	296247	109618	226095	268931
3	12G	N	G	10/21/2004	39	24962677348	10/01/2004	10/13/2004	228095	21825	78570	171350	246931
3	12G	A	G	1/12/2005	60	25980153600	10/01/2004	10/13/2004	228095	21925	178570	71450	246931
3	12G	A	G	2/25/2005	58	25990139859	10/01/2004	10/13/2004	225864	21925	178570	69218	248589
3	12G	A	G	7/06/2005	50	25970520921	10/01/2004	10/13/2004	226095	21925	178570	69450	246931
3	12G	A	G	7/07/2005	50	25970533517	10/01/2004	10/13/2004	226095	21925	178570	69450	246931
3	30G	N	G	12/02/2004	133	24991461159	10/14/2004	11/22/2004	71450	76043	140809	6684	246930
3	30G	A	G	1/12/2005	134	25980153660	10/14/2004	11/22/2004	71450	76043	140809	6684	246930
3	30G	A	G	2/25/2005	131	25990140001	10/14/2004	11/22/2004	69218	76043	140809	4452	245146
3	30G	A	G	7/06/2005	117	25970521069	10/14/2004	11/22/2004	69450	77293	140809	5934	246930
3	30G	A	G	7/07/2005	117	25970533648	10/14/2004	11/22/2004	69450	77293	140809	5934	246930
3	YE	N	P	1/31/2005	51	25970135930	11/23/2004	12/31/2004	6452	139873	106976	39348	252324
3	YE	A	P	2/25/2005	49	25990140132	11/23/2004	12/31/2004	4452	139873	106976	37348	252324
3	YE	A	P	7/07/2005	33	25970534007	11/23/2004	12/31/2004	5934	5775	24950	13241	246930
TOTAL										1115463	1131630		

Texans for Henry Cuellar Congressional Campaign (C00371122)
12 Day Pre-General Report/Amended 12 Day Pre-General Report
Overview of Disbursement Variance

Line	Original 2004 12 Day Pre-General Report; filed 10/21/04 (Image 24962677348)	Amended 2004 12 Day Pre-General Report; filed 1/12/2005 (Image 25980153603)	Disbursement Variance Amount
17	\$63,570.11	\$163,570.11	\$100,000.00
19(a)	\$0.00	\$15,000.00	\$15,000.00
19(b)	\$15,000.00	\$0.00	\$15,000.00*
22	\$78,570.11	\$178,570.11	\$100,000.00

* Denotes a decrease in activity